

### Inventory Card by Perpetual Inventory System-Moving Average

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### Computation for Sales

Date		Units Sold	Price/Unit	Sales
2008 Jan	20	5	15,000	75,000
Feb	18	20	15,000	300,000
May	25	50	15,000	750,000
Aug	14	60	15,000	900,000
Oct	20	75	15,000	1,125,000
Dec	25	25	15,000	375,000
		<b>235</b>		<b>3,525,000</b>

### Your Choice

### General Journal-Dated Entries

Date	Account Titles and Explanation	Post Ref.	Debit	Credit
2008 Jan	15 Merchandise		110,000	
	Accounts Payable			110000
	(Purchased merchandise on credit)			
	20 Cost of Goods Sold		50455	
	Merchandise			50455
	(To record cost of sales)			

	20	Accounts Receivable		75000	
		Sales			75000
		(Sales on credit)			
Feb	18	Cost of Goods Sold		201818	
		Merchandise			201818
		(To record cost of sales)			
	18	Accounts Receivable		300000	
		Sales			300000
		(Sales on credit)			
Mar	11	Merchandise		230,000	
		Accounts Payable			230000
		(Purchased merchandise on credit)			
April	20	Merchandise		57500	
		Accounts Payable			57500
		(Purchased merchandise on credit)			
May	25	Accounts Receivable		750000	
		Sales			750000
		(Sales on credit)			

	<b>25</b>	<b>Cost of Goods Sold</b>		<b>520,558</b>	
		<b>Merchandise</b>			<b>520,558</b>
		<b>(To record cost of sales)</b>			
<b>June</b>	<b>22</b>	<b>Merchandise</b>		<b>1,200,000</b>	
		<b>Accounts Payable</b>			<b>1,200,000</b>
		<b>(Purchased merchandise on credit)</b>			
<b>July</b>	<b>9</b>	<b>Merchandise</b>		<b>300,000</b>	
		<b>Accounts Payable</b>			<b>300,000</b>
		<b>(Purchased merchandise on credit)</b>			
<b>Aug</b>	<b>14</b>	<b>Accounts Receivable</b>		<b>900,000</b>	
		<b>Sales</b>			<b>900,000</b>
		<b>(Sales on credit)</b>			
	<b>14</b>	<b>Cost of Goods Sold</b>		<b>689,082</b>	
		<b>Merchandise</b>			<b>689,082</b>
		<b>(To record cost of sales)</b>			
<b>Sep</b>	<b>6</b>	<b>Merchandise</b>		<b>625,000</b>	
		<b>Accounts Payable</b>			<b>625,000</b>
		<b>(Purchased merchandise on credit)</b>			

<b>Oct</b>	<b>20</b>	<b>Accounts Receivable</b>		<b>1,125,000</b>	
		<b>Sales</b>			<b>1,125,000</b>
		<b>(Sales on credit)</b>			
	<b>20</b>	<b>Cost of Goods Sold</b>		<b>883,109</b>	
		<b>Merchandise</b>			<b>883,109</b>
		<b>(To record cost of sales)</b>			
<b>Nov</b>	<b>12</b>	<b>Merchandise</b>		<b>1,024,000</b>	
		<b>Accounts Payable</b>			<b>1,024,000</b>
		<b>(Purchased merchandise on credit)</b>			
<b>Dec</b>	<b>25</b>	<b>Accounts Receivable</b>		<b>375,000</b>	
		<b>Sales</b>			<b>375,000</b>
		<b>(Sales on credit)</b>			
	<b>25</b>	<b>Cost of Goods Sold</b>		<b>305,761</b>	
		<b>Merchandise</b>			<b>305,761</b>
		<b>(To record cost of sales)</b>			

## Your Choice

## General Journal-Entries in Total

<b>Date</b>	<b>Account Titles and Explanation</b>	<b>Post Ref.</b>	<b>Debit</b>	<b>Credit</b>
<b>2008</b>				
<b>Jan 1</b>				
<b>to Dec</b>				
<b>31</b>	<b>1 Merchandise</b>		<b>3,546,500</b>	
	<b>Accounts Payable</b>			<b>3,546,500</b>
	<b>(Purchased merchandise on credit)</b>			
	<b>2 Cost of Goods Sold</b>		<b>2,650,782</b>	
	<b>Merchandise</b>			<b>2,650,782</b>
	<b>(To record cost of sales)</b>			
	<b>3 Accounts Receivable</b>		<b>3,525,000</b>	
	<b>Sales</b>			<b>3,525,000</b>
	<b>(Sales on credit)</b>			

**Computation for Gross Profit**

Sales			3,525,000
Less: Cost of Goods Sold			<u>(2,650,782)</u>
Gross Profit			<u>874,218</u>

**Note: In perpetual inventory system, no entry is made for recording the unsold inventory (ending inventory) at the year end.**